



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NEW YORK REGIONAL OFFICE
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SUITE 400
NEW YORK, NEW YORK 10281-1022

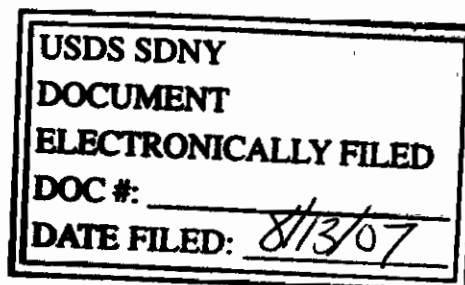
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MEMO ENDORSED

August 8, 2007

By Facsimile

Hon. P. Kevin Castel
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street, Room 2260
New York, NY 10007



RE: *S.E.C. v. Empire Development Group, LLC et al. (07 Civ. 3896*
(PKC)

Dear Judge Castel:

We represent Plaintiff Securities and Exchange Commission in the above-referenced action. On July 31, 2007 we wrote to seek a hearing before this Court to address Defendants' failure to comply with the Court's June 12, 2007 order. Specifically, we highlighted several ways in which defendants have failed and continue to fail to undertake "best efforts" to preserve the value and facilitate the sale of certain Empire assets.¹

To date, we have received no response from defendants to our July 31, 2007 letter other than telephone calls from Michael Ayngorn questioning the Commission's motives in seeking to protect what little of investors' money might still be recoverable. Moreover, we have still not received any assurances from Empire that they are taking any steps to preserve the value of Empire's assets. In fact, to the contrary, we received an August 7, 2007 email from Toni Schroeder, an employee at the Fairlawn, New Jersey Department of Buildings informing us that Empire has discontinued its efforts to pump water from Empire's Fairlawn property. In light of this morning's extreme weather conditions, Empire's failure to maintain the Fairlawn property is of particular concern to the Commission.

In light of the urgency of the issues addressed herein and in the Commission's July 31, 2007 letter, and in light of Empire's continued refusal to respond to letters addressed to

¹ For the Court's convenience, a copy of the Commission's July 31, 2007 letter is attached hereto.

Empire and to this Court, we respectfully request that the Commission's July 31 request for a hearing be converted into a request for relief identified therein or, in the alternative, that the Court schedule a hearing at its earliest convenience.

Respectfully,



Michael D. Birnbaum

Attorney

Division of Enforcement

All parties are directed to appear for a hearing on September 4 at 3:30 pm. The parties are directed to confer in an effort to confer on any disputed issues of non-compliance.

SO ORDERED
USD
8-9-07